

the Government makes, as I understand it. In asking Parliament to pass this legislation hon. gentlemen opposite argue that if the Government of Canada, which means the people of this country, do not go to the rescue of the Canadian Northern, that company must go into liquidation and a receivership. Yet Parliament to-day is declaring that this company shall have an issue of \$100,000,000 of stock, and it will be declared to the world that that stock has been fully paid up. Talk about watering stock! Our hon. friends opposite, who have been accustomed to deal with mergers and trust companies and great corporations, cannot get away, apparently, from their love of watered stock. They are declaring to the people of the world, to the financial people of Great Britain, that this company has, or will have when this legislation goes into effect, \$100,000,000 of stock which has been fully paid up. Surely that is wrong. Surely it is not taking the proper view as to what capital stock means. When an ordinary company issues stock, that stock must be bona fide paid up before it shall be so declared; but in this case, Parliament is telling a possible investor that \$100,000,000 of stock, that is apparently of no value to-day, is fully paid up, and, as my hon. friend from Welland says, Messrs. Mackenzie Mann and Company, Limited, are to own some \$60,000,000 or \$65,000,000 of this stock. Parliament has considered these securities and this property, and Parliament declares \$100,000,000 of paid-up stock has a property valuation behind the stock to be held by the country and by Mackenzie, Mann and Company, Limited, respectively. I have another objection. I regret very much that I have not been able to follow the discussion because by reason of that my remarks may not be of very much value, but it does seem to me that the Government ought to have proceeded from an entirely different standpoint in respect to this undertaking. The Government to-day is approached by Mackenzie, Mann and Company, Limited, or by Mackenzie and Mann—hon. gentlemen may say it is the Canadian Northern, but it is not the Canadian Northern except so far as the Canadian Northern, Mackenzie, Mann and Company, Limited, and Mackenzie and Mann, are one and the same personality under different names. The Canadian Northern means Mackenzie, Mann and Company, Limited, and it means Mackenzie and Mann; and Mackenzie, Mann and Company, Limited, means

Mackenzie and Mann. I find no fault with their having different names for their different enterprises, but we must not ignore the fact that when we speak of the Canadian Northern we are speaking of Mackenzie, Mann and Company, Limited, and when we are speaking of Mackenzie, Mann and Company, Limited, we are speaking of Mackenzie and Mann. They have been induced, for good reasons I suppose, to operate in this way for the better financing of their various undertakings, and I find no fault with that. But it is true that they have not issued to the public any of the stock of the Canadian Northern. The Canadian Northern stock is held by Mackenzie and Mann themselves, and in that respect it is unlike the stock of other great corporations which is distributed. It does seem to me that instead of increasing the watered stock to the enormous sum of \$100,000,000 the Government should have reduced it to what it might fairly represent in value to-day in the equity of redemption of this property. No one would say that the equity of redemption to-day was worth more than from \$5,000,000 to \$10,000,000 at the outset. Yet, to the investing public, this Parliament is asked to declare that this equity is represented by a hundred million dollars of stock fully paid up and non-assessable. What the Government ought to have said to Mackenzie and Mann was this: We realize the importance of this undertaking to the people of Canada, we realize that you have been enterprising gentlemen and you deserve consideration, but to-day your undertaking is bankrupt, you cannot pull it through without the aid of the people of Canada and to-day the equity which you have to offer to the people of Canada is not worth \$10,000,000; if we help to pull you out of the hole all stock should be handed over to a trustee to be held for the security of the people of Canada. There is another view which I think ought to have been presented, and which the Government ought to have kept in mind, and it is that the opinion of the people to-day is tending towards Government ownership and operation of a railway extending from the Atlantic to the Pacific. The people of Canada own 1,800 miles in the Intercolonial railway, they are building a line nearly 500 miles in length from a point in the province of Saskatchewan to Hudson bay and it may well be that before five years go round the people will say that this system should be supplemented so as to ex-